AMENDED IN SENATE MARCH 18, 2010 AMENDED IN SENATE FEBRUARY 17, 2010 AMENDED IN SENATE SEPTEMBER 4, 2009

CALIFORNIA LEGISLATURE—2009-10 REGULAR SESSION

ASSEMBLY BILL

No. 185

Introduced by Committee on Budget (Evans (Chair), Arambula, Beall, Blumenfield, Brownley, Caballero, Carter, De La Torre, Feuer, Hill, Huffman, Monning, Ruskin, and Swanson)

February 2, 2009

An act to add Sections 8587.3 and 8587.4 to the Government Code, and to add Section 16031 to the Insurance Code, relating to emergency services, and declaring the urgency thereof, to take effect immediately. An act relating to the Budget Act of 2010, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 185, as amended, Committee on Budget. Emergency services: property insurance surcharge. Budget Act of 2010.

The California Constitution requires the Governor to submit to the Legislature a budget for the ensuing fiscal year, and requires the Legislature to pass the budget by a specified date.

This bill would provide that the Budget Act of 2010 shall not include specified amounts to reflect various savings or reductions.

This bill would declare that it is to take effect immediately as an urgency statute.

(1) Existing law establishes the California Emergency Management Agency, which is responsible for the state's emergency and disaster response services for certain manmade disasters and emergencies, $AB 185 \qquad -2-$

including responsibility for activities necessary to prevent, respond to, recover from, and mitigate the effects of emergencies and disasters to people and property.

This bill would establish the Local Government Mutual Aid Enhancement Program in the agency, and would require funds, as specified, deposited in the Emergency Response Fund, to be allocated to the program upon appropriation by the Legislature. This bill would require the Secretary of California Emergency Management to allocate funds to specified entities, for the purpose of enhancing or sustaining fire and rescue disaster mutual aid capacity to combat the effect of all hazard disasters, as provided. This bill would also require the secretary, in consultation with specified entities, to develop a strategy, as provided, for the enhancement of mutual aid, and would require each fire and rescue operational area to submit a 3-year strategy for the enhancement of fire and rescue disaster mutual aid, as specified, to the secretary.

(2) Existing law provides that the Insurance Commissioner, in cooperation with insurers, the Office of Emergency Services, and other emergency service agencies, shall establish procedures for the coordination of efforts between insurers and their representatives and those of emergency response agencies.

This bill would create the Emergency Response Fund in the State Treasury. Insureds would be required to pay a special purpose surcharge on commercial and residential fire and multiperil insurance policies, including policies with combined property and liability coverage, issued or renewed on or after July 1, 2010, as specified. Funds from this surcharge would be available for appropriation by the Legislature to fund emergency activities, as defined, of the California Emergency Management Agency, the Department of Forestry and Fire Protection, and the Military Department. Any balance remaining in the fund at the end of a fiscal year would be retained and carried forward to the next fiscal year. This bill would require insurers collecting the surcharge to make a specified disclosure on the policy declarations page, billing statement, or a separate document accompanying the declarations page or billing statement. This bill would also require the Department of Insurance, the Department of Forestry and Fire Protection, and other state agencies and departments to cooperate and provide information to the California Emergency Management Agency as necessary to implement this act.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

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Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Budget Act of 2010 shall not include 2 \$17,377,000 in Item 0250-111-0001 to implement certain 3 provisions of the Omnibus Conservatorship and Guardianship 4 Reform Act of 2006.
- 5 SEC. 2. The Budget Act of 2010 shall not include \$41,000,000 6 in Item 0820-001-0001, and shall not include \$4,102,000 in Item 7 0820-003-0001, for operation of, and lease-revenue payments for, 8 state criminal laboratories.
- 9 SEC. 3. The Budget Act of 2010 shall not include \$5,000,000 in Item 3600-001-0001.
- 11 SEC. 4. The Budget Act of 2010 shall not include \$811,000,000 12 in Item 5225-002-0001 to reflect reduced expenditures for inmate 13 medical care.
- SEC. 5. The Budget Act of 2010 shall not include \$41,280,000 in Item 5225-001-0001, and shall not include \$6,720,000 in Item 5225-011-0001, to reflect a reduction in the number of juvenile wards supervised by the state.
- 18 SEC. 6. The Budget Act of 2010 shall not include \$227,990,000 19 to recognize the suspension or deferral of noneducation local 20 mandates.

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- SEC. 7. The Budget Act of 2010 shall not include at least \$140,000,000 in appropriations from the General Fund to reflect information technology and related savings achieved by state agencies pursuant to the Governor's Reorganization Plan No. 1 of 2009 or Section 11545 of the Government Code.
- SEC. 8. The Budget Act of 2010 shall not include \$449,600,000 in appropriations from the General Fund to reflect savings from implementing the five percent reduction to departmental personnel costs resulting from Executive Order S-01-10. It is the intent of the Legislature that first priority for achieving these personnel savings come from administration, including, but not limited to, agency, headquarters, and central offices, and that every effort be made to avoid negative impacts on the delivery of direct services.
- 34 SEC. 9. The Budget Act of 2010 shall not include \$130,000,000 35 in appropriations from the General Fund to reflect the Operating

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1 Expenses and Equipment savings resulting from Executive Order
2 S-01-10.

SEC. 10. The Budget Act of 2010 shall not include \$98,100,000 in appropriations from the General Fund to reflect savings from delaying prepayment of other postemployment benefits.

SEC. 11. The Budget Act of 2010 shall not include \$28,300,000 in Item 4260-101-0001 to recognize additional anti-fraud activities to be conducted by the Department of Health Care Services in the Medi-Cal Program.

SEC. 12. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

This act implements various savings and reductions related to the budget for the 2010–11 fiscal year and it is imperative that these changes be made at the earliest possible time. It is therefore necessary that this act go into immediate effect.

All matter omitted in this version of the bill appears in the bill as amended in the Senate, February 17, 2010. (JR11)